



Public Service Commission of Wisconsin

Cheryl L. Parrino, Chairman
Daniel J. Eastman, Commissioner
Joseph P. Mettner, Commissioner

610 North Whitney Way
P.O. Box 7854
Madison, WI 53707-7854

November 21, 1997

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FCC MAIL ROOM

Mr. William F. Caton, Acting Secretary
Federal Communications Commission
1919 M Street, NW
Washington, DC 20554

Re: In the Matter of
Federal State Joint Board on Universal Service)
Forward-Looking Mechanism For High Cost)
Support)

CC Docket No. 96-45

CC Docket No. 97-160

Dear Mr. Caton:

Enclosed is a request by the Public Service Commission of Wisconsin for extension of the February 8, 1998 filing deadline for cost models.

Thank you for your consideration.

Sincerely,

Lynda L. Dorr
Secretary to the Commission

LLD:GAE:slj:t:\ss\letter\FCC extension cost models

Enclosures

cc: Service List of 05-TI-160
Examining Division, Public Service Commission of Wisconsin
Records Management/Master File

FEDERAL COMMUNICATIONS COMMISSION

Washington, D.C. 20554

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Forward-Looking Mechanism For High Cost)
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**REQUEST FOR AN EXTENSION OF TIME
TO FILE COST MODELS BY THE
PUBLIC SERVICE COMMISSION OF WISCONSIN**

Pursuant to Sections 1.46 and 1.44 of the Federal Communication Commission's ("FCC" or "Commission") General Rules of Practice and Procedure, 47 C.F.R. §§ 1.46 and 1.44 (1997), the Public Service Commission of Wisconsin (PSCW) respectfully requests that the Commission extend the time for filing cost models from February 6, 1998 to September 1, 1998.

In support of this request, the PSCW states as follows:

The Public Service Commission of Wisconsin's Interest

The PSCW is an agency of the State of Wisconsin mandated by Wisconsin statutes to oversee the provision of utility services in Wisconsin, including those of telecommunications providers. This obligation under law includes the duty of regulating telecommunications to assure the establishment of such communications services and facilities as may be required by the public convenience and necessity, and the furnishing of service at rates that are just and reasonable.

As the FCC acknowledged by offering States the option to submit cost models, and Congress acknowledged by providing a significant role for State interests under §254 of the Act, the PSCW has an intense interest in this proceeding because of the potential impact on Universal Service in our jurisdiction. Further, the PSCW has notified the FCC of this agency's intention to file a Wisconsin cost model and has opened a proceeding (docket 05-TI-160) to address this issue.

RATIONALE FOR REQUEST

Paragraph 248 of FCC Order No. 97-157, which issued in this docket, granted state commissions the opportunity to elect by August 15, 1997, to conduct forward-looking economic cost studies for determining federal universal service support for their respective States. These State cost studies are to be submitted to the FCC on or before February 6, 1998.¹

By letter dated July 31, 1997, the PSCW informed the FCC that Wisconsin intended to develop its own cost study model. Pursuant to that goal, the PSCW issued a Notice of Investigation requesting all parties to file their models on October 28, 1997. Parties were allowed to update their models with filings as late as November 17, 1997. A prehearing conference was scheduled for November 19, 1997, to establish an issues list and schedule testimony for a hearing on this matter. Hearing is now planned for early January 1998.

As of the initial model filing deadline in our proceeding, only one model was filed. This model, filed by Wisconsin Bell, Inc. (Ameritech), runs only on Ameritech computer systems and contained proprietary information. Because of the proprietary nature, the Commission is concerned that it may not meet the criteria for a state-specific model. Furthermore, the logistical problems raised by having to travel to Ameritech to review the model make it difficult for the parties and the PSCW staff to thoroughly review the model in time for the January hearing. Ameritech also made it clear that the Ameritech model could not be easily modified to apply to GTE North Incorporated GTE North Incorporated (GTE) territory.

¹ A number of other State commissions notified the FCC of their intent to conduct cost studies, recognizing that the input values for any universal service cost model may vary significantly from State to State even though the platform chosen by the FCC may or may not have a large impact. Given the complexity of developing a model and its inputs, many States were uncertain whether adequate time and resources would be available to perform their own cost model or even propose State specific input values. Hence, some States filed an election with the FCC as a "place holder" while expecting to review the FCC proposal and to propose state specific inputs. Other States have commenced full proceedings for developing a forward-looking cost study and have encountered a shortage of time and staffing resources. This is not dissimilar to the action taken by the PSCW. Although intentions are to make appropriate determinations on costs for this state, the time squeeze and paucity of information available in this time frame will not enable that to happen as effectively as would be possible with more time to address this important and complex matter.

Of equal concern, GTE, the other non-rural ILEC in Wisconsin, did not file any model before the initial deadline. GTE did finally file a copy of the BCPM (a BCPM 2.5 version) just before the deadline for revisions. GTE has indicated that it will support this BCPM 2.5 model if hearings proceed, but will submit its own model at a later time.

None of the other parties filed models. As a result, the Commission may not have anyone sponsoring and available to testify to the intricacies of the Hatfield, BCPM, or Ben Johnson models at the hearing. Informally, some parties stated that this was because the experts in those models were defending the models either in meetings with the FCC staff or in proceedings in larger states.

The PSCW therefore asks for an extension of the February 8, 1998, deadline for the submission of models to the FCC until September 1, 1998. If the PSCW is to be able to effectively review and make determinations on a cost model(s) for this state, it must have sufficient time to address the many issues that relate to this important matter. Given that the FCC has not completed its own cost model work, delay by this state in filing is further necessary and will not limit the FCC in its efforts in this proceeding. Early FCC action on this request is paramount. Because the staff is facing the FCC ultimatum of "file or default," we have scheduled January hearing; however, postponement would enable a more thorough review to the benefit of the state, its utilities, and the national universal service fund.

This additional time should allow the parties to complete their models. Further, since the hearing dates would be less likely to coincide with those of other states, parties should be better equipped to submit, and testify regarding, their models.

REQUEST

Accordingly, because of the delayed release of the final version of the major models, the need for more time to complete the open PSCW proceeding, the uncertainties raised by potential FCC action on rehearing, the delays in release of an FCC model, and other reasons discussed above, the PSCW respectfully requests the FCC, as soon as possible, grant this request for an extension of time to file completed Wisconsin cost models from February 1998 to September 1, 1998.

The Public Service Commission of Wisconsin also supports the "Request for an Extension of Time to File Cost Models" submitted by the NARUC on October 6, 1997.

If you have questions on this matter, please contact Gary Evenson at (608) 266-6744.

Dated at Madison, Wisconsin, November 28, 1997

By the Commission:

Lynda L. Dorr

Lynda L. Dorr

Secretary to the Commission

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